

RECEIVED

SEP 25 1997

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of

DOCKET FILE COPY ORIGINAL

Federal-State Joint Board on Universal Service

)

CC Docket No. 96-45

)

Access Charge Reform, Price Cap Performance  
Review for Local Exchange Carriers, Transport  
Rate Structure and Pricing, End User Common  
Charge

)

CC Docket Nos. 96-262,  
94-1, 91-213, 95-72

)

COMMENTS

Sprint Corporation hereby respectfully submits its comments in the above-captioned proceeding in response to the *Second Further Notice of Proposed Rulemaking*, released September 4, 1997, FCC 97-317. In this *NPRM*, the Commission has solicited comment on whether the presubscribed interexchange carrier charge (PICC) should be waived for Lifeline customers who choose toll-blocking service, and whether such waived charges should be included in the low income universal service fund. The Commission has suggested that application of PICC to these Lifeline customers "may deter, rather than encourage, low-income consumers to elect a toll-blocking service" (*NPRM*, para. 4).

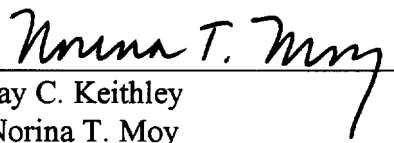
Sprint supports the Commission's tentative decision to waive the PICC for these Lifeline customers and agrees that the waived charges should be supported by the low income universal service program, at least for the first year. However, Sprint would note that recovery of waived PICCs through the universal service mechanism requires that actual and potential competitors of the incumbent ILECs (such as CLECs and IXC) contribute to the support of those ILECs. The

Commission should be cautious about increasing the USF burden on carriers until it can be more confident that the benefits of such increased burden outweigh the costs.

It is difficult to predict how many Lifeline customers will choose to take a LEC's toll blocking service (especially when such service is provided free of charge, as is required under the Commission's *Universal Service Order*<sup>1</sup>). The Sprint LECs currently have approximately 48,000 Lifeline customers. If half of current Lifeline customers elect to subscribe to toll blocking services, the USF funding requirement for waived PICC charges for the Sprint LECs would be approximately \$152,640 for the first year.<sup>2</sup> However, because the PICC is scheduled to increase over time, the USF funding requirement will also increase. Therefore, until the Commission and the industry get a better feel for the number of Lifeline customers who are likely to take the toll blocking service, Sprint suggests that the waiver of the PICC be limited to one year, with the issue to be revisited after actual results are in.

Respectfully submitted,

SPRINT CORPORATION

  
Jay C. Keithley  
Norina T. Moy  
1850 M St., N.W., Suite 1110  
Washington, D.C. 20036  
(202) 857-1030

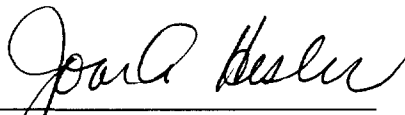
September 25, 1997

<sup>1</sup> *Federal-State Joint Board on Universal Service, Report and Order* released May 8, 1997, para. 385.

<sup>2</sup> 48,000 \* 50% \* \$.53 \* 12 months.

## **CERTIFICATE OF SERVICE**

I hereby certify that a copy of the foregoing Comments of Sprint Corporation was Hand Delivered or sent by United States first-class mail, postage prepaid, on this the 25th day of September, 1997 to the below-listed parties:

  
\_\_\_\_\_  
Joan A. Hesler

## Service List

The Honorable Reed E. Hundt, Chairman  
Federal Communications Commission  
1919 M Street, N.W., Room 814  
Washington, DC 20554

The Honorable Rachelle B. Chong,  
Commissioner  
Federal Communications Commission  
1919 M Street, N.W., Room 844  
Washington, DC 20554

The Honorable Susan Ness, Commissioner  
Federal Communications Commission  
1919 M Street, N.W., Room 832  
Washington, DC 20554

The Honorable James H. Quello,  
Commissioner  
Federal Communications Commission  
1919 M Street, N.W., Room 802  
Washington, DC 20554

The Honorable Julia Johnson, State Chair,  
Chairman  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Gerald Gunter Building  
Tallahassee, FL 32399-0850

The Honorable David Baker,  
Commissioner  
Georgia Public Service Commission  
244 Washington Street, S.W.  
Atlanta, GA 30334-5701

The Honorable H. Russell Frisby,  
Commissioner  
Maryland Public Service Commission  
16th Floor, 6 Paul Street  
Baltimore, MD 21202-6806

The Honorable Laska Schoenfelder,  
Commissioner  
South Dakota Public Utilities Commission  
State Capitol, 500 East Capitol Street  
Pierre, SD 57501-5070

Martha S. Hogerty  
Missouri Office of Public Council  
301 West High Street, Suite 250  
P.O. Box 7800  
Jefferson City, MO 65102

Tom Boasberg  
Federal Communications Commission  
Office of the Chairman  
1919 M Street, N.W., Room 814  
Washington, DC 20554

Charles Bolle  
South Dakota Public Utilities Commission  
State Capitol, 500 East Capitol Street  
Pierre, SD 57501-5070

Deonne Bruning  
Nebraska Public Service Commission  
300 The Atrium, 1200 N Street,  
P.O. Box 94927  
Lincoln, NE 68509-4927

James Casserly  
Federal Communications Commission  
Commissioner Ness's Office  
1919 M Street, N.W., Room 832  
Washington, DC 20554

Rowland Curry  
Texas Public Utility Commission  
1701 North Congress Avenue  
P.O. Box 13326  
Austin, TX 78701

Ann Dean  
Maryland Public Service Commission  
16th Floor, 6 Paul Street  
Baltimore, MD 21202-6806

Bridget Duff, State Staff Chair  
Florida Public Service Commission  
2540 Shumard Oak Blvd.  
Tallahassee, FL 32399-0866

Kathleen Franco  
Federal Communications Commission  
Commissioner Chong's Office  
1919 M Street, N.W., Room 844

Paul Gallant  
Federal Communications Commission  
Commissioner Quello's Office  
1919 M Street, N.W., Room 802  
Washington, DC 20554

Emily Hoffnar, Federal Staff Chair  
Federal Communications Commission  
Accounting and Audits Division  
Universal Service Branch  
2100 M Street, N.W., Room 8617  
Washington, DC 20554

Lori Kenyon  
Alaska Public Utilities Commission  
1016 West Sixth Avenue, Suite 400  
Anchorage, AK 99501

Debra M. Kriete  
Pennsylvania Public Utilities Commission  
North Office Building, Room 110  
Commonwealth and North Avenues  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Sandra Makeeff  
Iowa Utilities Board  
Lucas State Office Building  
Des Moines, IA 50319

Philip F. McClelland  
Pennsylvania Office of Consumer  
Advocate  
1425 Strawberry Square  
Harrisburg, PA 17120

Thor Nelson  
Colorado Office of Consumer Counsel  
1580 Logan Street, Suite 610  
Denver, CO 80203

Barry Payne  
Indiana Office of the Consumer Counsel  
100 North Senate Avenue, Room N501  
Indianapolis, IN 46204-2208

Timothy Peterson, Deputy Division Chief  
Federal Communications Commission  
Accounting and Audits Division  
2100 M Street, N.W., Room 8613  
Washington, DC 20554

James B. Ramsay  
National Association of Regulatory Utility  
Commissioners  
1100 Pennsylvania Ave., N.W.  
P.O. Box 684  
Washington, D.C. 20044-0684

Brian Roberts  
California Public Utilities Commission  
505 Van Ness Avenue  
San Francisco, CA 94102

Kevin Schwenzfeier  
NYS Dept of Public Service  
3 Empire State Plaza  
Albany, NY 12223

Tiane Sommer  
Georgia Public Service Commission  
244 Washington Street, S.W.  
Atlanta, GA 30334-5701

Sheryl Todd (plus 8 copies)  
Federal Communications Commission  
Accounting and Audits Division  
Universal Service Branch  
2100 M Street, N.W., Room 8611  
Washington, DC 20554